

SENATE BILL 1499  
By Crutchfield

AN ACT to amend Tennessee Code Annotated, Title 56, relative to managed care organizations and utilization review agents.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-6-704(b)(3), is amended by removing the period (.) after the language "determinations" and adding "which includes a final, binding decision by a medical doctor who is:

- (A) independent of any financial interest in any affected party;
- (B) has recognized expertise in the medicaid issue being appealed; and
- (C) is mutually agreeable to the utilization review agent, the subscriber and the involved provider, if any".

SECTION 2. Tennessee Code Annotated, Section 56-6-704(b), is amended by adding the following new subsections:

- (4) An annual plan which shall include, but not be limited to:
  - (A) an estimate of prevalence of chemical dependency in the subscriber pool;
  - (B) an estimate of the need for each type of alcohol and other drug treatment service and length of stay each year;
  - (C) a follow-up plan to ensure continuing care;
  - (D) an outreach plan setting goals to increase identification and treatment of subscribers with alcohol and other drug problems, methods of

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access to assessment and treatment displaying timeliness and appropriateness for handling alcohol and other drug-affected individuals;

(E) a proposed program network demonstrating a full continuum of care, geographic availability, cultural sensitivity and planning for special needs populations; and

(F) a method to provide measures of performance within each of these categories. Such performance measures shall be specific to the administration and delivery of alcohol and drug services and shall be designed and utilized to evaluate the effectiveness of alcohol and drug services and to increase the accountability of those persons administering and delivering alcohol and drug funds and/or services. These annual plans will include an assessment of its success in meeting the goals established in its plan and will be reviewed and approved by the commissioner.

(5) The specific criteria used by an HMO, PPO, MCO, any subcontractor, primary care physician and the utilization, review and appeal personnel to determine the type, level, length and course of treatment that will be available for any subscriber suffering from alcohol and other drug abuse or chemical dependency. Such criteria relative to the level of care provided for alcohol and other drug-affected individuals shall be in accordance with rules and regulations promulgated by the department. Such rules and regulations shall be promulgated in accordance with "ASAM Patient Placement Criteria" and shall be amended as necessary to reflect any amendments to "ASAM Patient Placement Criteria". The existence and name of the criteria shall be disclosed to subscribers in each subscriber's patient information book and the criteria shall be provided to the subscriber by the appropriate entity upon request.

(6) A certification that all decisions and assessments related to alcohol and other drug-affected people including initial certification are conducted by trained

personnel with acknowledged certification in the area of alcohol and other drug abuse or chemical dependency, such acknowledged certification being limited to:

- (A) certification by ASAM in the area of alcohol and other drug treatment;
- (B) licensed alcohol and other drugs of abuse counselor;
- (C) certification under any other alcohol and other drug program recognized by ASAM; or
- (D) certification by any three (3) year training program in a facility licensed by the department of health, bureau of alcohol and drug abuse services, or equivalent out-of-state facility and a list of employees performing these duties who meet these criteria.

(7) A certification that the utilization review agency does not provide nor establish contracts or arrangements to complete initial patient interviews, assessment, pre-certification, concurrent review or any subsequent review where direct compensation or any specific part of compensation to individual or clinical decision-makers or MCOs depends on the determination of type or course of treatment, length of stay or level of care for an individual patient or groups of patients, whether the individual is an individual subscriber or in a group plan.

SECTION 3. Tennessee Code Annotated, Section 56-6-705(a)(1), is amended by deleting the language “within two (2) business days” and substituting instead the language “within one (1) business day”.

SECTION 4. Tennessee Code Annotated, Section 56-6-705(a)(4)(C), is amended by deleting the language “within forty-eight (48) hours of the date the appeal is filed” and substituting instead the language “within twenty-four (24) hours of the date the appeal is filed”.

SECTION 5. Tennessee Code Annotated, Section 56-6-704 (c), is amended by deleting the second sentence thereof in its entirety.

SECTION 6. Tennessee Code Annotated, Section 56-6-705(b), is amended by deleting the period (.)at the end of such subsection, and by adding the following language:

; provided, however, nothing in this section shall be construed to exempt any utilization review agent from the standards established in Section 56-6-704.

SECTION 7. Tennessee Code Annotated, Title 56, is amended by adding the following language as a new, appropriately designated section:

Any insurer, health maintenance organization, managed care organization, preferred provider organization or behavioral health organization which provides coverage for alcohol and drug abuse treatment services shall, as a condition of doing business in this state, comply with the specific criteria developed by such entity to determine the type, level, length and course of treatment that is available for any subscriber suffering from alcohol and other drug abuse or chemical dependency. Such criteria shall be in accordance with rules and regulations promulgated by the department. Such rules and regulations shall be promulgated in accordance with “ASAM Patient Placement Criteria” and shall be amended as necessary to reflect any amendments to “ASAM Patient Placement Criteria”.

SECTION 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 9. This act shall take effect upon becoming a law, the public welfare requiring it.

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